



## Departmental Notice #1

(Effective July 1, 2004)

(R/2 7-04)

### How to Compute Withholding for State and County Income Tax

This document does not meet the definition of a "statement" required to be published in the Indiana Register under IC 4-22-7-7. The purpose of this document is to assist withholding agents in determining the correct amount of Indiana county income tax to withhold from an employee's wages by providing the tax rate for each county in the table on the reverse side of this document. A county name that is in bold and underlined has adopted a new county income tax. An asterisk (\*) beside a county name indicates that the tax rate has changed from last year's rate. The rates given in this document apply to wages paid after June 30, 2004, and the tax is withheld and paid at the same time and in the same manner as the state income tax.

The residence, principal place of business, or employment of an individual is determined on January 1 of the calendar year in which the individual's taxable year commences. An individual cannot be subject to both a resident rate and a nonresident rate at the same time. If a person resides in an adopting county on January 1, they are subject to that county's resident rate. If a person resides in a non-adopting county, but works in an adopting county, they are subject to the nonresident rate for their county of principal employment.

To calculate state and county income tax, the deduction constant tables have been developed. These tables divide the dollar amount of the exemption/dependent exemption by the number of pay periods. This will determine the deduction constant or the dollar amount of exemption you should deduct each pay period from the employee's gross income.

Table A is used to figure personal exemptions. Each employee is entitled to deduct one thousand dollars (\$1,000) per year per exemption claimed on line 4 of his/her Form WH-4. Personal exemptions include additional exemptions if you or your spouse are age 65 or older and/or blind.

Table B is used to calculate dependent exemptions. Each employee is entitled to deduct one thousand five hundred dollars (\$1,500) per year per qualifying dependent exemption claimed on line 5 of his/her Form WH-4.

Deduction Constant Table					
Table A	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	2.74	19.23	38.46	41.67	83.33
2	5.48	38.46	76.92	83.33	166.67
3	8.22	57.69	115.38	125.00	250.00
4	10.96	76.92	153.85	166.67	333.33
5	13.70	96.15	192.31	208.33	416.67
6	16.44	115.38	230.77	250.00	500.00
Table B	Daily	Weekly	Bi-Weekly	Semi-Monthly	Monthly
1	4.11	28.85	57.69	62.50	125.00
2	8.22	57.70	115.38	125.00	250.00
3	12.33	86.55	173.07	187.50	375.00
4	16.44	115.40	230.76	250.00	500.00
5	20.55	144.25	288.45	312.50	625.00

Locate the deduction constant for the personal exemptions in Table A. Add to that the deduction constant for the dependent exemptions in Table B. This is the net amount that should be deducted each pay period from the employee's gross income.

**Example:** An employee is paid a weekly salary of \$800, he/she claims five (5) personal exemptions and is subject to county tax at the rate of .0125. He/she claims 3 dependent exemptions. The taxable income of \$617.30 is the amount on which state and county tax should be calculated.

If you have any questions about the withholding of state or county taxes, please contact the Department at (317) 233-4016.

Deduction Constant amount from Table A	96.15
Deduction Constant amount from Table B	<u>+86.55</u>
Total Deduction Constant	\$182.70
Gross Income	\$800.00
Total Deduction Constant	<u>-182.70</u>
Taxable Income	\$617.30
State Tax to Withhold	\$617.30 x .034 = \$20.99
County Tax to Withhold	\$617.30 x .0125 = \$7.72

**Note:** Income Tax Information Bulletins which may be of assistance with withholding tax questions are Numbers 16, 32, 33, and 52.

Kenneth L. Miller  
Commissioner

# *Indiana Counties That Have Adopted A County Income Tax (Effective July 1, 2004)*

A county indicated with an asterisk (\*) has increased or decreased its rate from last year.  
A county in **bold** and underlined has adopted a new county income tax.

County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)	County Name	County Code	Tax Type	Column A (Resident)	Column B (Nonresident)
Adams	01	COIT/CEDIT	0.01124	0.00674	Lawrence	47	CAGIT	0.01	0.0025
Allen	02	COIT/CEDIT	0.01	0.0055	<b><u>Madison</u></b>	48	<b><u>COIT/CEDIT</u></b>	0.0125	0.005
Bartholomew	03	CAGIT	0.01	0.0025	Marion	49	COIT	0.007	0.00175
Benton*	04	CAGIT/CEDIT	0.0129	0.0054	Marshall	50	CAGIT	0.0125	0.0025
Blackford*	05	CAGIT/CEDIT	0.0136	0.0061	Martin	51	COIT/CEDIT	0.01	0.004
Boone	06	COIT	0.01	0.0025	Miami	52	COIT/CEDIT	0.0104	0.0059
Brown	07	CAGIT/CEDIT	0.0125	0.005	Monroe	53	COIT	0.01	0.0025
Carroll	08	CAGIT/CEDIT	0.011	0.0035	Montgomery	54	COIT	0.01	0.0025
Cass	09	CAGIT/CEDIT	0.015	0.0075	Morgan*	55	CAGIT/CEDIT	0.0127	0.0052
Clark*	10	CAGIT/CEDIT	0.015	0.0075	Newton	56	CAGIT	0.01	0.0025
Clay	11	CAGIT	0.0125	0.0025	Noble*	57	CAGIT/CEDIT	0.015	0.0075
Clinton*	12	CAGIT/CEDIT	0.015	0.0075	Ohio	58	CAGIT	0.01	0.0025
Crawford	13	CAGIT/CEDIT	0.01	0.005	Orange	59	CAGIT/CEDIT	0.0125	0.005
<b><u>Daviess</u></b>	14	<b><u>CAGIT/CEDIT</u></b>	0.015	0.005	Owen	60	CAGIT/CEDIT	0.0125	0.005
Dearborn	15	COIT	0.006	0.0015	Parke*	61	CAGIT/CEDIT	0.015	0.0075
Decatur*	16	CAGIT/CEDIT	0.0133	0.0058	Perry	62	COIT/CEDIT	0.01	0.00625
DeKalb*	17	CAGIT/CEDIT	0.015	0.0075	Pike	63	CEDIT	0.004	0.004
Delaware*	18	COIT/CEDIT	0.0105	0.006	Porter	64	CEDIT	0.0025	0.0025
Dubois	19	COIT/CEDIT	0.01	0.0055	Pulaski	66	CAGIT/CEDIT	0.0173	0.0068
Elkhart	20	CAGIT/CEDIT	0.015	0.005	Putnam	67	CAGIT/CEDIT	0.0125	0.005
Fayette	21	COIT/CEDIT	0.0137	0.0062	Randolph	68	CAGIT/CEDIT	0.015	0.0075
Floyd	22	CAGIT/CEDIT	0.0115	0.0065	Ripley*	69	CAGIT/CEDIT	0.0138	0.0063
<b><u>Fountain</u></b>	23	<b><u>CAGIT/CEDIT</u></b>	0.011	0.0035	Rush	70	CAGIT/CEDIT	0.0125	0.005
Franklin	24	CAGIT/CEDIT	0.0125	0.005	St. Joseph	71	COIT/CEDIT	0.008	0.0035
Fulton	25	CAGIT/CEDIT	0.0143	0.0068	Scott	72	COIT/CEDIT	0.0116	0.0041
Gibson	26	CEDIT	0.005	0.005	Shelby	73	CAGIT/CEDIT	0.0125	0.005
Grant	27	COIT/CEDIT	0.0125	0.005	Spencer	74	COIT/CEDIT	0.008	0.00575
Greene	28	COIT	0.01	0.0025	Starke	75	CAGIT/CEDIT	0.01	0.0075
Hamilton	29	COIT	0.01	0.0025	Steuben*	76	CAGIT/CEDIT	0.0129	0.0054
Hancock	30	CAGIT/CEDIT	0.0115	0.004	Switzerland	78	COIT	0.01	0.0025
Harrison	31	CAGIT/CEDIT	0.01	0.005	Tippecanoe	79	COIT/CEDIT	0.01	0.0055
Hendricks*	32	CAGIT/CEDIT	0.014	0.0065	Tipton*	80	CAGIT/CEDIT	0.0133	0.0058
Henry	33	COIT	0.01	0.0025	Union	81	CAGIT/CEDIT	0.015	0.005
Howard	34	COIT/CEDIT	0.009	0.00375	Vanderburgh	82	COIT	0.01	0.0025
Huntington	35	CAGIT/CEDIT	0.0125	0.005	Vermillion	83	CEDIT	0.001	0.001
Jackson	36	CAGIT/CEDIT	0.0135	0.005	Vigo	84	CAGIT/CEDIT	0.0125	0.0075
Jasper	37	CAGIT	0.01	0.0025	Wabash	85	CAGIT/CEDIT	0.015	0.0075
Jay	38	CAGIT/CEDIT	0.0125	0.005	Warren	86	CAGIT/CEDIT	0.0125	0.005
<b><u>Jefferson</u></b>	39	<b><u>CEDIT</u></b>	0.0035	0.0035	Warrick	87	CEDIT	0.005	0.005
Jennings	40	CAGIT/CEDIT	0.0125	0.005	Washington	88	CAGIT/CEDIT	0.015	0.0075
Johnson	41	CAGIT	0.01	0.0025	Wayne	89	CAGIT/CEDIT	0.015	0.005
Knox*	42	COIT/CEDIT	0.009	0.006	Wells	90	CAGIT/CEDIT	0.0145	0.007
Kosciusko	43	COIT/CEDIT	0.01	0.00475	White	91	CAGIT/CEDIT	0.0125	0.005
LaGrange*	44	CAGIT/CEDIT	0.014	0.0065	Whitley	92	CAGIT/CEDIT	0.012	0.0045
LaPorte	46	CAGIT/CEDIT	0.0095	0.007					